

## **Co-sponsors Legislation to Enforce Anti-Trust Laws Against Insurance Companies**

October 8, 2009

Washington, D.C. – Today, Congressman Joe Sestak (PA-07) announced that he is co-sponsoring the Health Insurance Industry Antitrust Enforcement Act of 2009 (H.R.3596). If enacted, this legislation will prevent the insurance companies from abusing their concentrated market share to increase profits at the expense of Americans. Specifically, the bill prohibits "any form price fixing, bid rigging, or market allocations."

"In southeastern PA, one insurer controls 74% of all insurance plans; statewide two plans dominate the marketplace" said Congressman Sestak. "This bill gives the federal government more authority to investigate the worst abuses of the insurance industry and protect consumers from price fixing and other sorts of collusion."

Without reform, the insurance industry will remain exempt from most regulations against anti-competitive practices under the current anti-trust law, commonly known as the McCarran-Ferguson Act. This bill, introduced by Judiciary Committee Chairman John Conyers, would further limit this exemption, specifically outlawing actions in direct opposition to a fair and competitive marketplace. The existing exemption was initially provided to help insurers share information to better evaluate risk; doing so reduces barriers to entering the insurance market, which allows for more competition. Nevertheless, the exemption ends up limiting the ability to prosecute clear instances of anti-competitive practices.

"We need a fair, functional, and competitive marketplace for health insurance and continuing to exempt the insurance industry from fundamental market regulations that apply to all other

industries is not the way to achieve that goal" the Congressman continued. "This bill would bring back an insurance marketplace that works for consumers."